

Renong to complete asset sale by year-end

by Sidek Kamiso

SUN - 4 JUN 2007

KUALA LUMPUR: Renong Bhd expects to complete its divestment of its 11.6% stake in Commerce Asset-Holding Bhd (CAHB) and the liquidation of Projek Usahasama Transit Ringan Automatik Sdn Bhd (Putra LRT) by the end of the year.

Renong deputy executive chairman Abdul Wahid Omar said discussions with potential buyers for the CAHB stake is ongoing and the group expects to raise some RM1.1 billion from the sale.

"We will hold an EGM late next month to get shareholder approval for the disposal of CAHB and, at the same time, seek SC approval, to be able to complete the sale by this year," he said after Renong's extraordinary general meeting yesterday.

Wahid said the group would first seek shareholder approval before finalising a buyer for the CAHB stake, to expedite the disposal process.

He also said Renong's liquidation of Putra-LRT is proceeding as planned and that Syarikat Pra-

sarata Negara Bhd, which has bought over all the assets of the public transport operator from Renong, would likely pay Renong at least some RM500 million for the assets, after Renong has repaid all of Putra-LRT's debt.

During the EGM, most of Renong's shareholders approved the sale of its 46.35ha in Johor Baru by its unit, Prolink Development Sdn Bhd, to Hektar Klasik Sdn Bhd for RM32.81 million despite objections from some who were opposed to the sale price.

Defending the purchase, Renong chairman Tan Sri Mohd Sheriff Mohd Kassim said the sale price was higher than its valuation and was in line with other transactions in the area.

"The proceeds from the sale will enable Prolink to raise cash and meet its debt service requirement set by Danaharta as well as providing cash for working capital," he said.

On the progress of Renong's asset disposal programme, Wahid said its unit, Time Engineering Bhd, which holds 46% of Time dotCom Bhd, was currently in dis-

cussions to divest certain assets, including a stake in TimedotCom.

Sheriff said Renong is still working with US theme park operator Universal Studios to develop a theme park in Johor despite a delay in the project.

"The project is still ongoing," he said, adding that the group is finalising details on the deal and that this has delayed the project.

Renong had announced in 2000 that it was in negotiations with Universal Studios to jointly develop a theme park on land owned by its subsidiary, Prolink Development Sdn Bhd.

To a question on whether the change in the country's political leadership following the resignation of Prime Minister Datuk Seri Dr Mahathir Mohamad from October next year would affect Renong's operations, Sheriff said "business will be run as usual".

He said Renong will proceed with its plan to restructure the group and focus on developing its assets and there would not be any changes in the group's business operations under the new leadership—theedgedaily.com